Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	
Federal-State Joint Board on Universal Service	CC Docket No. 96-45

CONSOLIDATED REPLY COMMENTS OF THE AD HOC TELECOMMUNICATIONS USERS COMMITTEE IN SUPPORT OF PARTIAL RECONSIDERATION AND CLARIFICATION OF REPORT AND ORDER

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SUMMARY

In its Petition for Reconsideration and Clarification ("Petition") of the Commission's Report and Order ("R & O") on universal service, Ad Hoc urged the Commission to reconsider its decision to (1) allow carriers to unilaterally abrogate their customer contracts to recover universal service contributions and (2) require payphone aggregators and systems integrators to contribute to the universal service fund. None of the comments filed in this docket refute Ad Hoc's analysis.

Commenters who oppose Ad Hoc's position on unilateral contract abrogation fail to raise *any* cogent, well-reasoned arguments. Rather, they (1) rely on legal precedent that only advances Ad Hoc's position, improperly apply the "substantial cause" test, (2) incorrectly assume that ordering abrogation of carrier contracts is somehow "necessary" to implement or enforce the Communications Act, and (3) ignore that mere unforeseeability of universal service changes – which in itself is dubious given the many unmistakable signs of the Commission's intention to overhaul the universal service system -- is insufficient under basic contract law and Commission precedent to warrant unilateral contract abrogation.

The Commission's recent order mandating the detariffing by nondominant IXCs of all interstate services invalidates TRA's position that state contract law, which would prohibit unilateral contract abrogation under these circumstances, is inapplicable, at least with respect to interstate interexchange services. Moreover, GE American Communications' argument that imposition on carriers

of universal service contributions without the right of cost recovery is an unlawful taking in violation of the Fifth Amendment to the Constitution is untenable: Even were carriers denied the right to abrogate customer contracts, they could still recover the cost of universal service support in other ways. In addition, the Commission's exercise of authority to engage in economic regulation would not rise to the level of an unconstitutional taking unless it deprives carriers of the ability to earn sufficient revenues to cover operating expenses and capital costs. Such is not the case here.

Finally, in its Petition, Ad Hoc demonstrated that the Commission's rationale for applying universal service contribution requirements to systems integrators and payphone aggregators is flawed in numerous respects. In this regard, opposing comments did not even address Ad Hoc's arguments, but instead simply regurgitated the Commission's reasoning in the R & O. This is not enough to rebut the good cause shown by Ad Hoc for reconsideration of this aspect of the Commission's R & O.

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The Ad Hoc Telecommunications Users Committee ("Ad Hoc") submits this reply in support of its petition[1] urging the Commission to reconsider and clarify its Report and Order ("R & O") in the proceeding captioned above.[2]

In its Petition, Ad Hoc urges the Commission to reconsider that part of the R & O which would (1) allow carriers to unilaterally abrogate their contracts with end users so carriers can pass through additional universal service costs and (2) impose new, distinct universal service funding obligations on systems integrators and payphone aggregators. None of the comments filed in opposition to Ad

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1 *Petition of the Ad Hoc Telecommunications Users Committee for Partial Reconsideration and Clarification of Report and Order*, CC Docket No. 96-45 (filed July 17, 1997) ("Ad Hoc Petition").

2 *Federal-State Joint Board on Universal Service*, Report and Order, CC Dkt. No. 96-45, FCC 97-157 (released May 8, 1997) ("R & O").

Hoc's Petition refute Ad Hoc's arguments.[3] Ad Hoc has shown good cause for Commission reconsideration of these two portions of the R & O.

I. THERE IS NO LEGAL BASIS FOR PERMITTING CARRIERS TO UNILATERALLY ABROGATE THEIR CUSTOMER CONTRACTS TO RECOVER THEIR UNIVERSAL SERVICE CONTRIBUTIONS THROUGH HIGHER RATES OR NEW CHARGES.

Ad Hoc has asked the Commission to reconsider its decision to allow carriers to unilaterally abrogate their agreements with customers so that the carriers could recover their universal service contributions through higher rates or new charges not provided for in the agreements.[4] Ad Hoc demonstrated that such unilateral abrogation is impermissible under applicable contract law, Commission precedent, and judicial decisions. If, however, the Commission rejects Ad Hoc's request and allows carriers to abrogate their customer contracts, Ad Hoc argued that the Commission should give users that have agreements with carriers the opportunity to abrogate and renegotiate those agreements, *i.e.,* to take a "fresh look."

The oppositions and comments that have been filed in response to Ad Hoc's Petition provide no persuasive rebuttal to Ad Hoc's arguments. Moreover, as explained below, the recent adoption of the *Interstate Interexchange Carrier*

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[3] Those who filed comments opposing Ad Hoc's Petition include AT&T Corp. ("AT&T"), United States Telephone Association ("USTA"), MCI Telecommunications Corporation ("MCI"), Bell Atlantic Telephone Companies ("Bell Atlantic"), Bell South Corporation and BellSouth Telecommunications, Inc. ("BellSouth"), Telecommunications Resellers Association ("TRA"), Cellular Telecommunications Industry Association ("CTIA"), Personal Communications Industry Association ("PCIA"), GE American Communications, Inc. ("GE Americom"), Arch Communications Group, Inc. ("Arch") and AirTouch Communications, Inc. ("AirTouch").

[4] R & O at ¶ 851.

detariffing Order[5] lays to rest one of the principal arguments that have been made in favor of unilateral abrogation, namely, that carriers have the right to revise the terms of their service offerings (even when provided under contract) by filing tariff revisions.

AT&T has taken a somewhat sophistic position regarding the Commission's decision, "strongly disagree[ing]" with Ad Hoc's interpretation that the Commission has allowed carriers to abrogate customer contracts.[6] Instead, AT&T argues, the Commission has merely allowed carriers to "flow through a specific cost to the end user."[7] AT&T acknowledges "the normal doctrine that a carrier may not typically adjust rates in such a contract," but it finds the Commission's action "eminently reasonable" "[p]articularly because the rates in many customer contracts may already anticipate access reductions."[8] AT&T's argument has several flaws.

First, allowing carriers unilaterally to increase rates in a long term service agreement is not a minor change. It changes perhaps the most critical element . -- the price -- of the parties' agreement. Second, the unsupported and speculative statement that customer contracts "may anticipate" access reductions does not square with reality. If AT&T was insightful enough to

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5 *Policy and Rules Concerning the Interstate, Interexchange Marketplace,* CC Dkt. No. 96-61, Order on Reconsideration, FCC 97-293 (released August 20, 1997).

6 AT&T Opposition at 16, n.15.

7 *Id.*

8 *Id.*

account for access reductions in formulating the business cases that support its long term service arrangements, it must also have accounted for increased universal service funding. Third, mere *anticipation* of access reductions does not equate to a contractual or regulatory requirement that carriers pass those reductions through to customers; nor -- even if it did -- would it justify allowing carriers to unilaterally pass through universal service charges. It is unreasonable to conclude that carriers could anticipate access reductions, but could not anticipate increased universal service funding obligations. If any regulatory changes that increase carriers' costs justify contract abrogation -- which is not the case -- regulatory changes that reduce the carriers' costs of serving particular customers also must be accounted for. The net effect of regulatory changes on every service configuration and service agreement must be flowed through. Absent such a flow-through, carriers would be permitted to effectuate material, unilateral contract revisions, with the Commission's approval, that are inequitable to customers and indefensible under traditional contract law and Commission precedent.

TRA takes a similarly incongruous position, first arguing that the Commission has not authorized the abrogation of long-term service contracts,[9] then asserting that the Commission has the authority to permit carriers to

[9] TRA Comments at 5. Only a few lines later, TRA admits that the Commission has "simply allow[ed] a modification of an existing contract." *Id.*

unilaterally modify their customer contracts[10] and that such modification is appropriate here because it is in the public interest.[11]

TRA's assertion that the Commission has the authority to require carriers to modify contractual arrangements if such modification is in the public interest is at least misleading. In the two instances TRA references where the Commission has permitted contract abrogation, the *customers,* not the carriers, were permitted to take a "fresh look." Moreover, in both of those instances, the circumstances that led the Commission to allow customers to abrogate their contracts represented far more sweeping changes in the regulatory environment than the imposition of new universal service contribution obligations.[12]

TRA claims that the Commission can order contract abrogation when it is in the public interest, but the cases TRA cites in fact hold that a carrier may *not* unilaterally modify the terms of its customer contracts unless the contract rates are "unlawful" or the modification is "necessary to protect the public interest," *e.g.,* from total loss of service because the carrier is bankrupt.[13] In this case,

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10 *Id.* at 6.

11 *Id.* at 7-8.

12 As TRA concedes, a principal objective of the Commission in the 800 Database proceeding was to foster competition in the provision of 800 service and encourage new firms to enter the market. *Competition in the Interstate Interexchange Marketplace,* 7 FCC Rcd 2677 (1992). *See* TRA Comments at 6. A similar pro-competitive impetus was behind the Commission's decision to allow customers to take a fresh look at -- *i.e.*, to terminate with capped liability -- their long term agreements with LECs to facilitate access competition. *Expanded Interconnection with Local Telephone Company Facilities,* 8 FCC Rcd 7341 (1993) at ¶ 13.

13 *Western Union v. FCC,* 815 F.2d 1495, 1501 (D.C. Cir. 1987) (citing *United Gas Co. v. Mobile Gas Corp.,* 350 U.S. 332, 344 (1956)).

there is not even a public interest justification for the Commission to allow abrogation of long term service agreements.

TRA does not dispute that the Commission requires a carrier to demonstrate "substantial cause" for unilateral modification of a long-term customer contract,[14] but TRA characterizes the substantial cause test as being one of reasonableness unless the particular circumstances indicate that alteration of the customer contract would be contrary to the public interest.[15] The Commission, however, has held that "substantial cause" requires much more. Indeed, the test is not satisfied by mere claims (such as those presented here) that, absent the requested contract modification, a carrier will not earn as much as it had anticipated when it entered into a service contract. In *RCA Americom,*[16] the Commission explained that the test requires a balancing of the interests of *both* the carrier and the customer. In applying the test, the reasonable expectations of the customer must be considered.[17] So far that has not been the case.

TRA's additional arguments that the restructuring of the universal service program was unforeseeable, and that this justifies unilateral carrier abrogation of

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[14] *Tariff Filing Requirements for Nondominant Common Carriers*, Order, 10 FCC Rcd 13653 at ¶¶ 12-16 & n.35 (1995); *RCA American Communications, Revisions to Tariff FCC Nos. 1 and 2*, Memorandum Opinion and Order, 84 FCC 2d 353, 358 (1981); 86 FCC 2d 1197, 1201(1981); 2 FCC Rcd 2363 (1987) (collectively, "*RCA Americom* Orders"), *aff'd sub nom. Showtime Networks, Inc., v. FCC*, 932 F.2d 1 (D.C. Cir. 1991).

[15] TRA Comments at 7.

[16] *Supra,* note 14, 84 FCC 2d 353, 358.

[17] *RCA American Communications, Revisions to Tariff FCC Nos. 1 and 2, supra,* note 14, 84 FCC 2d 353.

their customer contracts[18] are similarly unavailing. First, as Ad Hoc demonstrated in its Petition, there were ample and unmistakable signs well in advance that the universal service program was going to be overhauled. Second, even if there had been no prior indication of the regulatory changes, their mere unforeseeability is insufficient under basic contract law (and Commission precedent) to warrant unilateral contract abrogation, particularly given the relatively "painless" effect these changes will inflict on affected carriers.[19]

Finally, TRA fails in its argument that state contract law -- which would prohibit unilateral contract abrogation under these circumstances[20] -- is inapplicable here because the communications services that are provided under contract are also subject to filed tariffs, which, TRA explains, are "suprem[e]" over contracts.[21] While TRA's argument may have had merit at one time, the Commission's recent Order mandating the detariffing by nondominant

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[18] TRA Comments at 7, n. 18.

[19] *A&S Transportation Co. v. County of Nassau,* 546 N.Y.S.2d 109, 111 (A.D. 1989) ("when a governmental action is foreseeable, a contractor may not invoke "impossibility" to excuse performance"). *Stasyszyn v. Sutton East Associates,* 555 N.Y.S.2d 297, 299 (A.D. 1990) ("the law is well-established that economic inability to perform contractual obligations, even to the extent of insolvency or bankruptcy, is simply not a valid basis for excusing compliance"). *See also 407 E. 61st Garage, Inc. v. Savoy 5th Ave. Corp.,* 23 N.Y.2d 275, 281-82 (1968).

[20] *See supra* note 15. *Accord, Kel Kim Corp. v. Central Markets Inc.,* 524 N.Y.S.2d 384, 385 (N.Y. 1987); *J.J. Casone Bakery, Inc. v. Edison Co. of New York,* 638 N.Y.S.2d 898 (Sup. Ct. 1996).

[21] TRA Comments at 8, n.20.

IXCs of all interstate services[22] annuls that position, at least with respect to interstate interexchange services. Without the benefit of filed tariffs and the "filed-rate" doctrine, carriers will no longer be able to unilaterally modify customer contract terms by simply revising the relevant tariffs.

Indeed, the Commission stated that "not permitting nondominant interexchange carriers to file tariffs for the provision of interstate, domestic, interexchange services will achieve the public interest objective of eliminating the ability of nondominant carriers to invoke the 'filed-rate' doctrine."[23] This change, the Commission concluded, benefited consumers and served the public interest. Moreover, the Commission stated that it did "not support attempts by carriers to preserve their ability to alter unilaterally the terms of a contract, pursuant to a contract clause," and the issue whether a particular contract clause, such as one attempting to preserve the "filed-rate" doctrine, satisfies Section 201(b)'s just and reasonable standard would be "an appropriate matter for a section 208 complaint."[24]

In light of this unequivocal, recent statement of the Commission's position on the "filed-rate" doctrine, TRA's argument that a filed tariff trumps a contract for the same service must be rejected.

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22 *Policy and Rules Concerning the Interstate, Interexchange Marketplace,* CC Dkt. No. 96-61, Order on Reconsideration, FCC 97-293 (released August 20, 1997).

23 *Id.* at ¶ 80.

24 *Id.*

AirTouch argues that the Commission has the authority to require modifications to private contracts where "necessary to implement or enforce" the Communications Act and promote the public interest.[25] Even if AirTouch is correct -- which Ad Hoc disputes[26] -- it can hardly be claimed that ordering abrogation of carrier contracts in this proceeding is "necessary" to implement or enforce the Communications Act.

AirTouch also alleges that Ad Hoc has erroneously relied on the *Sierra-Mobile* line of cases.[27] This claim is false. Ad Hoc's Petition raised the *Sierra-Mobile* doctrine only to explain why it does *not* apply to carrier/non-carrier customers, as footnote 2132 of the R & O seemed to suggest.

AirTouch urges the Commission to preempt state contract law, at least with respect to Commercial Mobile Radio Service ("CMRS") providers, to prevent state law from interfering with implementation of the "federal mandates contained

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[25] AirTouch Opposition at 8. Arch poses arguments very similar to AirTouch's, but its position is limited to contract abrogation by CMRS providers. Arch Comments at 7-10. For the same reasons that AirTouch's arguments must be rejected, so, too, must Arch's.

[26] AirTouch relies principally on *Connolly v. PBGC,* 475 U.S. 211 (1986), for this position. In *Connolly,* the Supreme Court wrote that, "[i]f a regulatory statute is otherwise within the powers of Congress, . . . its application may not be defeated by private contractual provisions." *Id.* at 224. No showing has been made here -- nor could it -- that carrier customer contracts "defeat" the application of the Communications Act in a manner that would justify abrogation of those contracts. AirTouch's citation (at 9, n.24) of *Amendment of the Commission's Rules Relative to Allocation of the 849-851/894-896 MHz Bands,* 6 FCC Rcd 4582 (1991), is similarly unsupportive of AirTouch's position. In that proceeding, the Commission permitted airlines that had entered into contracts with GTE to terminate those contracts without liability under certain limited circumstances. The Commission's motivation was to promote competition in a market that GTE had previously dominated, and its decision was justified by overwhelming record evidence and public policy considerations that are not present here. *Id.* at 4583-84.

[27] AirTouch Opposition at 8.

in the 1996 Act."[28] AirTouch states that Section 332(c)(3) of the Act authorizes the Commission to preempt state law with respect to CMRS providers, but encourages the Commission to "exercise its clear authority" to preempt state law for *all* providers.[29] Notably, AirTouch fails to cite any legal authority that establishes such preemptive authority with respect to all providers. Indeed, no such authority exists in this context and there is no public interest justification for Commission authorization of carrier abrogation of long term service agreements.

Like AirTouch, BellSouth argues (without a scintilla of legal authority) that the Commission should preempt state law to the extent necessary to permit carriers to pass through their universal service contributions.[30] BellSouth explains only that, because carriers did not anticipate these contributions when the carriers entered into customer contracts, the public interest requires that the carriers be allowed to modify those contracts to recoup their contributions.[31] As explained in greater detail above, not only were the contributions foreseeable, but, even if they were not, the mere unforeseeability would not justify unilateral contract abrogation in this case, particularly given the modest economic consequences the contributions will have on affected carriers.

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28 AirTouch Opposition at 8-9.

29 *Id.* at 9.

30 BellSouth Comments at 8-9.

31 *Id.*

GE Americom[32] argues that the imposition on carriers of universal service contributions without the right for carriers to "recover that cost" would be an unlawful taking in violation of the Fifth Amendment to the Constitution.[33] This argument is both factually and legally flawed. First, even if carriers were denied the right to abrogate customer contracts, they could still recover the cost of universal service support in other ways.

Second, it is well established that, to the extent Congress has given the Commission and other regulatory agencies the statutory authority to engage in economic regulation of the industries entrusted to them, the exercise of that authority will not rise to the level of an unconstitutional taking unless it deprives the regulated industries of the ability to earn "enough revenue not only for operating expenses but also for the capital costs of the business."[34] Even if carriers were not permitted to recover their universal service contributions, the modest estimated amount of those contributions would hardly be enough to amount to an unlawful taking.

Indeed, GE Americom exaggerates the size of the universal service contributions satellite carriers will be required to pay, claiming that they could

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[32] GE Americom's Comments seem limited to seeking the right for satellite companies that contribute to universal service support to abrogate their customer contracts. GE Americom Comments at 7.

[33] *Id.*

[34] *Federal Power Commission v. Hope Natural Gas,* 320 U.S. 591, 603 (1944) (cited in GE Americom Comments at 7, n.17).

"strip away a substantial percentage of [a] company's profit margins."[35] Such hyperbole should be ignored.

Much of GE Americom's argument revolves around alleged circumstances that are unique to satellite carriers.[36] These circumstances -- about which Ad Hoc expresses no opinion -- are inapplicable to other carriers.

In summary, when viewed as a whole, the record in this docket provides overwhelming support for reconsideration of the Commission's decision to allow carriers to unilaterally abrogate their customer contracts. If, however, the Commission affirms its decision, in the interest of equity, the Commission should give customers subject to carrier contracts the right to terminate those contracts without liability, that is, to take a "fresh look."

II. BROAD-SWEEPING ASSERTIONS THAT "OTHER PROVIDERS" SHOULD BE REQUIRED TO CONTRIBUTE TO THE UNIVERSAL SERVICE FUND ARE BOTH UNSOUND AND UNRESPONSIVE TO ARGUMENTS RAISED IN AD HOC'S PETITION

Several commenters reiterate the Commission's general finding that it is in the interests of the public, equity, and competitive neutrality to require "other providers" to contribute to the universal service fund, and urge the Commission to uphold that aspect of the R & O.[37] In its Petition, Ad Hoc demonstrated that the Commission's reasoning for applying the universal service requirements to "other providers" such as payphone aggregators and systems integrators is

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35 GE Americom Comments at 9.

36 *Id.* at 8-10.

37 MCI Opposition at 17; AT&T Opposition at 21-23; USTA Opposition at 4-5; Bell Atlantic Opposition at 8-9.

flawed. The commenters do nothing more than regurgitate the Commission's reasoning in the R & O, failing to address, let alone rebut, any of Ad Hoc's arguments.

For example, several commenters argue that because "other providers" benefit from universal service, "equity" requires that they contribute to maintenance of the universal service fund.[38] In fact, the opposite is true. Systems integrators and payphone aggregators *already* contribute to universal service because the rates they pay their underlying carriers for services under their long term contracts implicitly include carriers' costs for universal service. Thus, extending universal service contribution requirements to these "other providers" would, in many cases, result in a *double* payment by the "other provider" to the universal service fund, contrary to the Commission's stated intent.[39]

Similarly, Bell Atlantic's blanket assertion that principles of "competitive neutrality" require all "other providers" to contribute to the universal service also is fallacious.[40] As Ad Hoc argued in its petition, many payphone aggregators are premises owners. They do not provide any type of telecommunications service

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38 MCI Comments at 17; USTA Comments at 5.

39 The double payment will occur because the systems integrator or payphone aggregator will pay for universal service first through the rates it pays the underlying carrier in accordance with its carrier contracts, and then through the payments it makes based on its own retail revenues earned from these same services. *See* International Business Machines Corporation Comments in Support of Petition for Reconsideration (filed Aug. 18, 1997) at 5-10 ("IBM Comments").

40 Bell Atlantic Opposition at 8-9.

and therefore do not compete with common carriers.[41] IBM properly observes that systems integrators also are not in the same business as telecommunications carriers: They compete against other systems integrators for the sale of a package of systems integration services, of which telecommunications is typically only an incidental part.[42] "Competitive neutrality" concerns simply do not justify the application of new explicit universal service contributions requirements to systems integrators or payphone aggregators.

Third, the commenters' concern that failure to extend universal service obligations to systems integrators and payphone aggregators will somehow shape a common carriers' business decisions is misguided. It is highly unlikely that any telecommunications carrier will enter the systems integration business in order to avoid paying universal service contributions. Systems integration and common carriage are two different kinds of services, appealing to different client needs. It is even less likely that telecommunications carriers will forgo providing telecommunications services to become payphone aggregators. And yet, it is *very* likely that the R & O will affect how systems integrators and payphone aggregators do business, compelling them to stop offering telecommunications to avoid the added costs and administrative complexities associated with supporting universal services.[43]

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41 Ad Hoc Petition at 19-20.

42 *See* IBM Comments at 4.

43 *Id.* at 14-15.

In this regard, it is significant that although the commenters espouse notions of equity and public interest, it is the very public they profess to protect, not the telecommunications carriers, that will suffer. Most systems integrators and payphone aggregators make telecommunications available only as a convenience to their customers. If these providers stop offering these services, the end user would lose choice, efficiency, and convenience. Far from furthering nationwide universal service objectives, as claimed by MCI and USTA, the Commission's action would burden non-regulated entities with cumbersome administrative and cost requirements for no legitimate reason and to no one's benefit.[44]

Finally, USTA's argument that the *de minimis* exemption, as interpreted by the Commission, is the only grounds for exempting entities from universal service contribution requirements ignores the particular circumstances surrounding each type of "other provider." First, the Commission's decision to include "other providers" is not mandated by law. It is permissive. The Commission must perform a public interest analysis to determine the appropriateness of applying universal service obligations to these entities. Here, the Commission erred, imposing blanket universal service requirements on all "other providers" without considering the unique situations surrounding many for

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[44] Requiring additional providers to support universal service will make no perceptible difference to the contribution obligations of others. IBM calculated that if the Commission includes systems integrators in the universal service contribution base, the others contributors would pay 0.0004% less than without including systems integrators. This extraordinarily slight benefit hardly compensates for the comparatively substantial costs to both the systems integrators and the universal service fund administrator incurred by adding systems integrators to the pool of contributors. *See* IBM Comments at 12-14.

whom the Commission's public interest/competitive neutrality concerns simply do not apply.[45] Second, USTA fails to address Ad Hoc's arguments in its Petition that the Commission's *de minimis* exemption vis-à-vis systems integrators and payphone aggregators makes no sense and unwisely ignores the costs that such entities will incur in complying with the Commission's regulatory requirements.[46] The Commission should therefore grant Ad Hoc's petition to reconsider its formulation of the *de minimis* exception, at least as applied to payphone aggregators and systems integrators.

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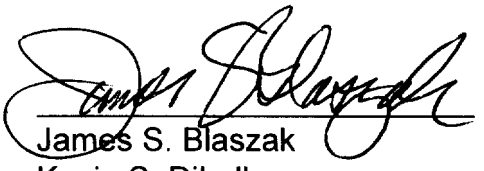
[45] *See infra* discussion on payphone aggregators and systems integrators, p. 14. The types of providers to which the Commission's new requirements may apply, moreover, is potentially far-reaching. For example, would the Commission's ruling apply to the large corporation that negotiates a contract for telecommunications services, and then "provides" the services to its subsidiaries and affiliates at a mark-up to cover administrative expenses?

[46] *See* Ad Hoc Petition at 12-14.

CONCLUSION

For the reasons set forth above, and thos e stated in its Petition for Partial Reconsideration and Clarification, Ad Hoc urges the Commission to reconsider its R & O with respect to the issues raised above.

Respectfully submitted,

By: 

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CERTIFICATE OF SERVICE

I, Kurt A. Kaiser, hereby certify that true and correct copies of the preceding Consolidated Reply Comments of the Ad Hoc Telecommunications Users Committee in support of Partial Reconsideration and Clarification of Report and Order in CC Dkt. No. 96-45, were served this 2nd day of September, 1997 via hand delivery* and first-class U.S. mail, postage prepaid upon the following the parties:

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